

LATHAM & WATKINS^{LLP}

August 15, 2007

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File No. 030137-0012

VIA FEDEX

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 07-AFC-3
1516 Ninth Street, MS-4
Sacramento, California 95814-5512

DOCKET	
07-AFC-3	
DATE	AUG 15 2007
RECD.	AUG 16 2007

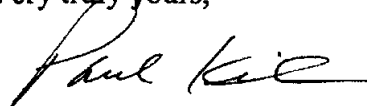
Re: CPV Sentinel Energy Project: Docket No. 07-AFC-3

Dear Sir/Madam:

Pursuant to California Code of Regulations, title 20, sections 1209, 1209.5, and 1210, enclosed herewith for filing please find a copy of a letter from Mission Springs Water District to CEC regarding the above-referenced project.

Please note that the enclosed submittal was also filed today via electronic mail to your attention.

Very truly yours,



Paul E. Kihm
Senior Paralegal

Enclosure

cc: Michael J. Carroll, Esq. (w/ encl.)



August 15, 2007

Mr. Bill Pfanner,
Project Manager
California Energy Commission
1516 Ninth Street, MS-15
Sacramento, California

Re: CPV Sentinel Energy Project
Docket Number 07-AFC-03

Dear Mr. Pfanner:

I am informed by Competitive Power Ventures (CPV) that the California Energy Commission (CEC) staff has requested additional information from Mission Springs Water District (District) regarding the District's intention to supply water to the CPV Sentinel Energy Project from our Horton wastewater treatment plant. If I understand this correctly, you would like additional information regarding: 1) the District's willingness to serve the project; 2) whether or not the District has an adequate water supply to serve the project; and 3) any conditions or restrictions the District might make in order to serve the project. This letter responds your apparent request for additional information.

As I indicated in my letter to you dated July 27, 2007, the District staff intends to present to the District board a proposal for serving the project from our Horton wastewater treatment plant, and is committed to formulating an agreement that is acceptable to everyone. As I further stated, certain commercial terms and conditions remain to be negotiated between the parties. Thus, the District is willing to serve the project, provided that mutually acceptable terms and conditions for doing so can be agreed upon. Paramount to the District is the evaluation of hydro-geologic impacts. It is our understanding that the California Energy Commission will be the lead agency conducting the CEQA analysis, and we will have an opportunity to participate in this determination. Again realize that our negotiations focus on the financial and infrastructure aspects of serving a project such as this.

As I indicated in my July 27 letter, the Horton wastewater treatment plant (HWTP) currently processes approximately 1,500 acre feet per year of wastewater. We understand that the needs of the project are a maximum of 1,100 acre feet per year, and a lifetime average of 550 acre feet per year. We do not expect the output of the treatment plant to decline in the foreseeable future. To the contrary, given the growth in our region, we expect it to increase, and have completed the preliminary design for an expansion to our



HWTP. Thus, we believe that the District will have an adequate supply of wastewater to meet the needs of the project over its useful life.

As stated above, we are still negotiating certain of the terms and conditions that might be imposed in order to serve the project, and I am unable at this time to specify what the final terms and conditions might be. However, since the primary purpose of the agreement would be to provide the above quantities, we would not anticipate that the agreement would have any terms or conditions that would materially impair our commitment to do so.

Again, the District's mission is to insure that there is a high quality, dependable water supply to our customers. We intend to be good stewards of the water resources in our basin and look forward to working with you in this permit process. I hope that this letter addresses your needs for additional information. If you have any further questions, please do not hesitate to contact me. We look forward to working with the CEC staff on this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Arden Wallum". The signature is fluid and cursive, with the first name "Arden" being more prominent than the last name "Wallum".

Arden Wallum
General Manager

Copy: MSWD Board of Directors
Bob Hren, CPV
Mark Turner CPV

**STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

In the Matter of:)	Docket No. 07-AFC-3
)	
Application for Certification,)	ELECTRONIC PROOF OF SERVICE
for the CPV SENTINEL ENERGY PROJECT)	LIST
)	
)	(August 15, 2007]
_____)	

☒ Transmission via electronic mail and by depositing one original signed document with FedEx overnight mail delivery service at Costa Mesa, California with delivery fees thereon fully prepaid and addressed to the following:

DOCKET UNIT

CALIFORNIA ENERGY COMMISSION

Attn: DOCKET NO. 07-AFC-3
1516 Ninth Street, MS-4
Sacramento, California 95814-5512
docket@energy.state.ca.us

☒ Transmission via electronic mail addressed to the following:

APPLICANT

Mark Turner

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55 Second Street, Suite 525
San Francisco, California 94105
mturner@cpv.com

Dale Shileikis

Vice President
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CPV SENTINEL ENERGY PROJECT
CEC Docket No. 07-AFC-3

Kathy Rushmore
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ENERGY COMMISSION

Bill Pfanner
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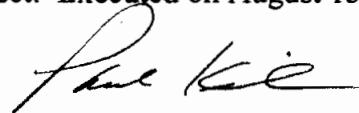
DECLARATION OF SERVICE

I, Paul Kihm, declare that on August 15, 2007, I deposited a copy of the attached:

LETTER FROM MISSION SPRINGS WATER DISTRICT TO CEC, DATED AUGUST 15, 2007

with FedEx overnight mail delivery service at Costa Mesa, California with delivery fees thereon fully prepaid and addressed to the California Energy Commission. I further declare that transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service List above.

I declare under penalty of perjury that the foregoing is true and correct. Executed on August 15, 2007, at Costa Mesa, California.



Paul Kihm